

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WELLS FARGO BANK, N.A.

Interpleader Plaintiff,

v.

ESM FUND I, LP, et al.,

Defendants.

10-CV-7332

DECLARATION OF LAURA E.
KRABILL IN SUPPORT OF ESM
FUND I, LP, COMPASS SAV LLC,
COMPASS OFFSHORE SAV PCC
LTD., AND ESM MANAGEMENT
LLC'S REPLY BRIEF IN
FURTHER SUPPORT OF THEIR
MOTION FOR RELIEF UNDER
RULES 23 AND 83

I, Laura E. Krabill, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am an attorney at the law firm of Ballard Spahr LLP, attorneys for interpleader defendants ESM Fund I, LP, Compass SAV LLC, Compass Offshore SAV PCC Ltd., and ESM Management LLC (the “ESM Parties”). I am a member in good standing of the bar of Pennsylvania and have been admitted *pro hac vice* in this Court for this case. I submit this declaration in support of the ESM Parties’ Reply Brief in Further Support of Their Motion for Relief Under Rules 23 and 83.

2. I make this declaration based on my personal knowledge as well as based on knowledge I have obtained from my personal involvement in all of the aspects of the litigation of this matter.

3. When the ESM Parties learned of Assured’s efforts to communicate with certificateholders and after Assured refused to provide the ESM Parties with any information about its intended communications, the ESM Parties attempted to discover the nature of Assured’s oral communications with certificateholders.

4. The ESM Parties intended to use this information to either support a motion seeking some limitation or monitoring of Assured, or preferably, to provide the ESM Parties with comfort that Assured's communications were not improper and that a motion was not needed.

5. I therefore contacted counsel for two certificateholders who had both initiated communications with me during this litigation and had asked me to keep them apprised of any developments in the case.

6. I discussed the matter only with lawyers for the two other certificateholders.

7. Both certificateholders determined independently to contact Assured in response to the notice and advised me of those communications, but neither was willing to provide a declaration regarding their discussions with Assured.

8. The communications, as relayed by the other certificateholders to me, did not alleviate the ESM Parties' concerns and, indeed, heightened their fear that Assured would present an aggressive, one-sided picture of the strength of Assured's case to coax certificateholders who had not actively participated in this litigation to accept a settlement favorable to Assured.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 19, 2012, in Philadelphia, Pennsylvania.



Laura E. Krabill